

**01399**

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### PRC: PRICES OF KEY MATERIALS RAISED

State-set prices for within-plan sales of steel products and cement were hiked sharply earlier this year, according to press reports. Steel product prices were increased 25-55%, approaching domestic "free" market prices; official and free market prices of cement were unified by jumping the state price 40%.

Comment: These corrective price adjustments may be cited as "reformist,"

ELAS

Fixed prices of other producer goods probably will be adjusted gradually upwards so long as inflation remains below two digits.  
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Details	DATE	IS/FCO/CDR
( ) ROLLBACK		
( ) EXCISE		
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( ) DELETE INFO-FRONTLINE INFO		
FOIA Exemptions		
PA Exemptions		
		TS 2.1
		( ) CLASS F-105 ( ) S of ( ) C C-1
		( ) DOWNGRADE TS to ( ) S of ( ) C C-1

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